

**MINUTES OF THE MEETING
NEW JERSEY RACING COMMISSION
THURSDAY, SEPTEMBER 30, 2010
140 EAST FRONT STREET, FOURTH FLOOR
TRENTON, NEW JERSEY**

A telephonic meeting of the New Jersey Racing Commission was held on Thursday, September 30, 2010, in the Fourth Floor Conference Room of the Racing Commission office located on 140 East Front Street, Trenton, New Jersey.

The following were present:

Dennis A. Drazin, Chairman
James G. Aaron, Commissioner
Anthony T. Abbatiello, Commissioner
Noel Love Gross, Commissioner
Francis X. Keegan, Jr., Commissioner
Frank Zanzuccki, Executive Director

The following were absent:

Anthony R. Caputo, Commissioner
Peter J. Cofrancesco, III, Commissioner

Executive Director Frank Zanzuccki read the following statement:

“This meeting today conforms with Chapter 231, P.L. 1975, called the “Open Public Meeting Law,” and as per the requirements of the statute, notification of this meeting has been filed with the Secretary of State and with the following newspapers: Daily Racing Form, Bergen Record, Asbury Park Press, Courier-Post and the Newark Star Ledger.”

CONSIDER THE APPLICAITON OF SPORTECH, PLC FOR NEW JERSEY RACING COMMISSION APPROVAL TO CLOSE ON A PURCHASE AGREEMENT BY WHICH IT PROPOSES TO ACQUIRE INTERESTS AND ASSETS OF, AMONG OTHER ENTITIES, SCIENTIFIC GAMES RACING, LLC, PURSUANT TO ITS LICENSING BY THE RACING COMMISSION

Gilbert Pierce, Esq., counsel for Sportech, PLC, introduced the following individuals:

Richard Boardley, Director of Corporate Affairs, Sportech, LLC
Brooks Pierce, President of Scientific Games Racing, and will subsequently be the President of Sportech, LLC
Dave Haslett, Officer of Scientific Games Racing, and will subsequently be the Senior Vice President of Operation for Sportech, LLC

Gilbert Pierce, Esq. indicated to the Commissioners that the transaction between Sportech and Scientific Games Racing has obtained approvals from four of the five required jurisdictions and today they are seeking approval from the New Jersey Racing Commission which will allow the transaction to close.

A discussion occurred concerning the Commissioners' concerns with regard to Scientific Games Racing and complaints involving the account wagering system. Messrs. Pierce and Haslett responded to the Commissioners' questions and expressed willingness to rectify the problems.

Commissioner Aaron made the following motion:

On or about February 18, 2010, Sportech PLC filed a petition with this Commission whereby it sought to acquire the interests and assets, as described in a related purchase agreement of, among other things, Scientific Games Racing, LLC and that agreement has been part of the package that we as Commissioners have had an opportunity to review. Scientific Games is licensed by this Commission because it provides totalisator and related services in connection with New Jersey Racing, including as concerns live racing, account wagering inclusive of telephone wagering and internet wagering on horse racing, interstate and intrastate racetrack simulcasting, casino simulcasting, and off-track wagering.

Sportech and Scientific Games, here today, specifically seek the Commission's approval to close on the transaction. Sportech, through it counsel Gil Brooks, has represented their approval to close on the transactions has been granted by other jurisdictions including the Netherlands, and the States of Maine and Connecticut. I also understand that

as a result of the representations today, the New Jersey Casino Control Commission which shares joint regulation with this Commission concerning casino simulcasting has approved the transaction and authorized Sportech to continue providing simulcasting and hub facility services to Atlantic City casino licensees until the earlier of either December 2, 2010, or until the CCC, the Casino Control Commission, conducts a hearing and rules on the application of Sportech for a gaming-related casino service industry license.

Before I continue with my motion, I would like to comment on our experience with Scientific Games Racing, LLC in New Jersey. First, I recognize and applaud the decision of Scientific Games to place one of its two national data centers here in the State of New Jersey. This decision has allowed us easy access to Scientific Games and its personnel, in terms of carrying out the Commission's regulatory mission. It has, of course, also benefitted the State's economy. However, while I recognize the services that Scientific Games provides are technologically complex, the regulatory compliance record of the company has not been perfect as we have today in our discussion. I was therefore delighted to see that Sportech, in connection with this application, has represented that the transaction will be good for New Jersey, and that Sportech is prepared to dedicate the resources to racing and venue management that were not available from Scientific Games. In proposing a conditional approval of the closing transaction here today, I remain mindful of this representation and will advise you that, and hopefully my fellow Commissioners agree, that the Commission shall closely monitor the activities and initiatives of Sportech and its New Jersey affiliates to insure that such enhancements are carried forward.

Now, with regard to the request before the Commission, I would note that the Commission's investigation into Sportech continues. I would also note that, as we understand it, the investigation of the Casino Control Commission, and Division of Gaming Enforcement, also continues. Accordingly, with this background and in consideration of the investigative findings to date, I move that Sportech and Scientific Games be authorized to close on the transaction, subject to the following conditions:

1. This approval is subject to our continuing investigation, as the Commission has previously noted, which includes but is not limited to our review of the related regulatory matter pending before the New Jersey Casino Control Commission and New Jersey Division of Gaming Enforcement;

2. Following the closing of the purchase agreement, all conditions and obligations previously imposed by law, regulation, or Order of this Commission, shall be assumed and shall be equally imposed upon and complied with by Sportech PLC as the acquiring entity, and by its subdivision or affiliate assuming the present functions of Scientific Games Racing LLC;
3. This approval shall not bind any other state or federal governmental agency which may have jurisdiction with regard to the transaction;
4. Sportech PLC shall be required to, within three (3) days of it or its agents or affiliates becoming aware of such, by notify the Racing Commission Executive Director in writing with particularity of any derogatory or potentially derogatory information disclosed in any ongoing investigation conducted by any other governmental authority, within or outside the United States, directly or indirectly related to its acquisition of Scientific Games Racing LLC; and
5. By the terms of this conditional approval shall be subject to modification by the Commission, and the conditional approval shall continue until further action on the part of this Commission.

In closing, we recognize or at least I recognize and I believe my fellow Commissioners would also recognize that this application and this contract and closing are significant in that it is certainly not exclusively something in front of the Board's of the State of New Jersey, the Board's of the United States and certainly a worldwide...has worldwide implications. And with that, I believe my motion is complete.

Commissioner Gross seconded the motion.

Chairman Drazin indicated that the Racing Commission expects cooperation with any investigation that it feels is appropriate concerning this transaction. Assurance was provided by Gilbert Brooks, Esq. that Sportech PLC has submitted all requested information and is prepared to continue to comply and provide whatever is necessary for the completion of the investigation.

A roll call of the Commission indicated all Commissioners voted yes to the motion.

CONSIDER THE REQUEST OF THE STANDARD BRED BREEDERS' AND OWNERS' ASSOCIATION OF NEW JERSEY, INC. TO AMEND ITS 2010 BUDGET

Thomas Luchento, President, and Leo McNamara, Administrator, of the SBOA requested to amend the 2010 budget by utilizing \$50,000 of statutorily allocated funds to develop plans for a new grandstand facility at the Meadowlands Racetrack. The Commissioners questioned the SBOA concerning their ability to fund the health and welfare programs if \$50,000 is diverted to the study. The SBOA assured the Commission that they have sufficient funds to continue to provide the same health and welfare coverage, as 2010 claims are below the budget estimate. The Commission also asked the SBOA to explain how funding an architectural study serves as a benevolent program for the benefit of all New Jersey horsemen. The SBOA indicated that the Meadowlands Racetrack cannot function in the present grandstand facility and another facility is needed in order for the racetrack to continue to operate. The SBOA emphasized the importance that the Meadowlands Racetrack operate and if the Meadowlands Racetrack does not operate, it will cripple the entire standardbred industry across North America.

The Commission indicated to the SBOA that the use of the money should not be spent unnecessarily and if their anticipated plan with the Sports Authority to build a grandstand at the Meadowlands Racetrack does not come to fruition, then the SBOA should return to the Commission and advise how the money will be spent. The Commission suggested that the SBOA have the flexibility to use the architectural study for the development of grandstand at another location. Mr. Luchento assured the Commission that the standardbred horsemen are not looking to build a grandstand anywhere but the Meadowlands Racetrack.

Commissioner Aaron motioned the following:

The request of the SBOA to amend the 2010 budget to utilize \$50,000 of statutorily allocated money is granted conditioned upon: 1) the amount to be expended shall not exceed \$50,000; 2) prior to the expenditure of the \$50,000, the SBOA must advise the Commission of the specific use of the money; and 3) the money would have the flexibility that should the SBOA wish to spend the money on another study or for another location they have the ability to do so, with the approval of the Commission.

Chairman Drazin seconded the motion and all Commissioners voted yes.

There being no further discussion or comments from the public, Commissioner Aaron moved that the meeting be adjourned. Commissioner Gross seconded the motion and it was approved unanimously.

ATTEST:

Executive Director Frank Zanzuccki